

**UNIFIED SCHOOL DISTRICT NO. 273**

**Beloit, Kansas**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**

**June 30, 2011**

**MAPES & MILLER  
Certified Public Accountants  
Phillipsburg, Kansas**

**UNIFIED SCHOOL DISTRICT NO. 273**  
**Beloit, Kansas**  
**June 30, 2011**

**Joseph Harrison - Superintendent**  
**Doris Gasper - Clerk**  
**Janelle Gasper - Treasurer**

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**Brenda Krone - Vice President**  
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**UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas**

**CONTENTS**

	<u>Page</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>1-2</b>
<b>Statement 1 SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH</b>	<b>3-4</b>
<b>Statement 2 SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET</b>	<b>5</b>
<b>Statement 3 STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET</b>	<b>6-33</b>
<b>Statement 4 SUMMARY OF CASH RECEIPTS AND CASH DISBURSEMENTS – AGENCY FUNDS</b>	<b>34</b>
<b>Statement 5 STATEMENT OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH – DISTRICT ACTIVITY FUNDS</b>	<b>35</b>
<b>Statement 6 STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS – STUDENT ORGANIZATION FUNDS</b>	<b>36</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>37-51</b>
<b>SUPPLEMENTAL INFORMATION</b>	
<b>Schedule 1 SCHEDULE OF EXPENDITURES – ACTUAL AND BUDGET – GENERAL FUND</b>	<b>52-54</b>
<b>SINGLE AUDIT SECTION</b>	
<b>REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u></b>	<b>55-56</b>
<b>INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133</b>	<b>57-58</b>
<b>Schedule 2 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>59-60</b>
<b>Schedule 3 SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>61-64</b>



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### **INDEPENDENT AUDITOR'S REPORT**

**Board of Education  
Unified School District No. 273  
Beloit, KS 67420**

**We have audited the accompanying financial statements of Unified School District No. 273, Beloit, Kansas as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.**

**We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the guidance in the Kansas Municipal Audit Guide. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.**

**As described more fully in Note 1, the Unified School District No. 273, Beloit, Kansas has prepared these financial statements in conformity with accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between the regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, is presumed to be material.**

**In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 273, Beloit, Kansas, as of June 30, 2011, or the changes in its financial position for the year then ended.**

**In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the Unified School District No. 273, Beloit, Kansas, as of June 30, 2011, and its cash receipts and expenditures, and budget to actual comparisons for the year then ended, taken as a whole, on the basis of accounting described in Note 1.**

Board of Education  
Unified School District No. 273  
February 13, 2012  
Page Two

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2012, on our consideration of Unified School District No. 273's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise of Unified School District No. 273, Beloit, Kansas' financial statements. The information identified in the table of contents as supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements of Unified School District No. 273. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

Respectfully submitted,

*Mapes & Miller LLP*

Certified Public Accountants

February 13, 2012  
Phillipsburg, Kansas

**UNIFIED SCHOOL DISTRICT NO. 273**

Beloit, Kansas

Statement 1

**SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
For The Year Ended June 30, 2011**

<u>FUND</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
<b>Governmental Type Funds:</b>							
<b>General Funds</b>							
General Fund	\$ (464,508) *	\$ 156	\$ 6,171,390	\$ 6,171,040	\$ (464,002) *	\$ 770,672	\$ 306,670
Supplemental General Fund	(28,748) *	-	1,812,917	1,762,867	21,302	271,396	292,698
<b>Special Revenue Funds</b>							
At Risk Fund (4 Year Old)	-	-	120,059	120,059	-	5,785	5,785
At Risk Fund (K-12)	50,867	-	226,442	277,309	-	14,359	14,359
Bilingual Education Fund	-	-	1,967	1,967	-	282	282
Capital Outlay Fund	1,316,769	-	878,814	550,695	1,644,888	-	1,644,888
Driver Training Fund	14,045	-	22,409	15,845	20,609	879	21,488
Federal Funds	19,492	-	217,129	220,266	16,355	27,094	43,449
Food Service Fund	53,724	-	383,495	361,100	76,119	328	76,447
Professional Development Fund	17,885	-	10,000	8,355	19,530	31	19,561
Parent Education Program Fund	22,378	-	100,659	151,733	(28,696) *	11,350	(17,346)
Special Education Fund	210,242	-	1,306,403	1,306,403	210,242	-	210,242
Vocational Education Fund	51,152	-	216,474	267,626	-	25,448	25,448
Health Care Services Reserve Fund	548,559	-	1,574,662	1,195,332	927,889	-	927,889
KPERS Special Retirement Contribution Fund	(264,375) *	-	740,711	476,336	-	-	-
Contingency Reserve Fund	605,273	-	-	-	605,273	-	605,273
Textbook & Student Material Revolving Fund	26,605	-	35,128	-	61,733	-	61,733
Cooperative Special Education Fund	836,104	-	4,570,956	4,027,693	1,379,367	220,180	1,599,547
Gifts & Grants Fund	142,451	-	882,681	861,601	163,531	7,710	171,241
District Activity Funds	34,286	-	144,917	144,934	34,269	15,028	49,297
<b>Fiduciary Type Funds:</b>							
<b>Private Purpose Trust Funds</b>							
Belles Scholarship Fund	1,510	-	29	29	1,510	-	1,510
Helen Babb Scholarship Fund	8,200	-	152	304	8,048	152	8,200
Vo-Ag Scholarship Fund	2,655	-	50	50	2,655	-	2,655
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<u>\$ 3,204,566</u>	<u>\$ 156</u>	<u>\$ 19,417,444</u>	<u>\$ 17,921,544</u>	<u>\$ 4,700,622</u>	<u>\$ 1,370,694</u>	<u>\$ 6,071,316</u>

\* See Note 4A (Cash Basis Law)

The notes to the financial statements are an integral part of this statement.

**UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas**

**Statement 1  
(Cont.)**

**SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
For The Year Ended June 30, 2011**

**COMPOSITION OF CASH**

Checking Accounts	
Guarantee State Bank	\$ 3,731,029
Certificates of Deposit	
First National Bank	12,165
Guarantee State Bank	<u>2,400,000</u>
 Total Cash	 <u>6,143,194</u>
 Agency Funds per Statement 4	 <u>(71,878)</u>
 Total Reporting Entity (Excluding Agency Funds)	 <u><u>\$ 6,071,316</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 2

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
(Budgeted Funds Only)  
For the Year Ended June 30, 2011

FUNDS	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds:						
General Funds						
General Fund	\$ 6,215,616	\$ (126,804)	\$ 82,228	\$ 6,171,040	\$ 6,171,040	\$ -
Supplemental General Fund	1,773,373	(10,506)	-	1,762,867	1,762,867	-
Special Revenue Funds						
At Risk Fund (4 Year Old)	131,000	-	-	131,000	120,059	(10,941)
At Risk Fund (K-12)	365,867	-	-	365,867	277,309	(88,558)
Bilingual Education Fund	2,000	-	-	2,000	1,967	(33)
Capital Outlay Fund	1,127,000	-	-	1,127,000	550,695	(576,305)
Driver Training Fund	15,845	-	-	15,845	15,845	-
Food Service Fund	371,830	-	-	371,830	361,100	(10,730)
Professional Development Fund	35,010	-	-	35,010	8,355	(26,655)
Parent Education Program Fund	151,842	-	-	151,842	151,733	(109)
Special Education Fund	1,489,473	-	-	1,489,473	1,306,403	(183,070)
Vocational Education Fund	342,000	-	-	342,000	267,626	(74,374)
KPERS Special Retirement Contribution Fund	630,176	-	-	630,176	476,336	(153,840)
Cooperative Special Education Fund	4,641,077	-	-	4,641,077	4,027,693	(613,384)

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
For The Year Ended June 30, 2011

GENERAL FUND			Variance Over (Under)
	Actual	Budget	
<b>CASH RECEIPTS</b>			
General Property Taxes			
Ad Valorem Taxes			
Tax in Process	\$ 37,301	\$ 21,942	\$ 15,359
Current Tax	751,849	731,977	19,872
Delinquent Tax	5,284	10,084	(4,800)
State Aid	4,239,225	4,430,888	(191,663)
State Reimbursements	3,485	-	3,485
Reimbursements	78,743	-	78,743
Special Education Aid	801,399	928,357	(126,958)
ARRA Stabilization Funds	92,368	92,368	-
Education Jobs Funds	161,736	-	161,736
<b>Total Cash Receipts</b>	<b>6,171,390</b>	<b>\$ 6,215,616</b>	<b>\$ (44,226)</b>
<b>EXPENDITURES</b>			
Instruction	3,021,981	\$ 2,911,749	\$ 110,232
Instructional Support Staff	287	3,000	(2,713)
General Administration	184,033	186,070	(2,037)
School Administration	431,733	473,960	(42,227)
Operations & Maintenance	370,075	317,720	52,355
Vehicle Operating Services	315,136	147,250	167,886
Other Supplemental Services	90,880	440,510	(349,630)
Outgoing Transfers	1,756,915	1,735,357	21,558
Adjustment to Comply with Legal Max	-	(126,804)	126,804
<b>Legal General Fund Budget</b>	<b>6,171,040</b>	<b>6,088,812</b>	<b>82,228</b>
<b>Adjustments for Qualifying Budget Credits</b>			
State Reimbursements	-	3,485	(3,485)
Reimbursements	-	78,743	(78,743)
<b>Total Adjustment for Qualifying Budget Credits</b>	<b>-</b>	<b>82,228</b>	<b>(82,228)</b>
<b>Total Expenditures</b>	<b>6,171,040</b>	<b>\$ 6,171,040</b>	<b>\$ -</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>350</b>		
<b>UNENCUMBERED CASH, July 1, 2010</b>	<b>(464,508)</b>		
<b>Prior Year Cancelled Encumbrances</b>	<b>156</b>		
<b>UNENCUMBERED CASH, June 30, 2011</b>	<b>\$ (464,002) *</b>		

\* See Note 4A (Cash Basis Law)  
See Note 15 (Statutory Presentation)

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
For The Year Ended June 30, 2011

SUPPLEMENTAL GENERAL FUND

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
General Property Taxes			
Ad Valorem Taxes			
Tax In Process	\$ 43,061	\$ 30,739	\$ 12,322
Current Tax	797,001	758,294	38,707
Delinquent Tax	7,102	11,096	(3,994)
Motor Vehicle Tax	139,419	131,040	8,379
Recreational Vehicle Tax	1,759	1,526	233
State Aid	824,575	736,624	87,951
	<u>1,812,917</u>	<u>\$ 1,669,319</u>	<u>\$ 143,598</u>
<b>EXPENDITURES</b>			
Instruction			
Salaries			
Certified	150,187	\$ 27,000	\$ 123,187
Noncertified	-	3,000	(3,000)
Employee Benefits			
Insurance	-	1,560	(1,560)
Social Security & Medicare	11,489	3,000	8,489
Other	489	-	489
Purchased Professional & Technical Services	14,345	13,000	1,345
Supplies			
General	-	5,000	(5,000)
Textbooks	15,203	12,000	3,203
Student Support Services			
Salaries			
Certified	149,349	205,853	(56,504)
Noncertified	14,568	-	14,568
Employee Benefits			
Insurance	12,960	12,480	480
Social Security & Medicare	12,107	15,081	(2,974)
Other	158	1,500	(1,342)
Purchased Professional & Technical Services	730	-	730
Other Purchased Services	444	100	344
Supplies	3,618	2,220	1,398

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
For The Year Ended June 30, 2011

SUPPLEMENTAL GENERAL FUND (Cont.)

	Actual	Budget	Variance Over (Under)
<b>EXPENDITURES (Cont.)</b>			
Instructional Support Staff			
Salaries			
Certified	\$ 161,561	\$ 165,056	\$ (3,495)
Noncertified	94,791	77,824	16,967
Employee Benefits			
Insurance	22,680	15,600	7,080
Social Security & Medicare	17,741	15,303	2,438
Other	222	500	(278)
Purchased Professional & Technical Services	18,802	1,000	17,802
Other Purchased Services	1,990	2,000	(10)
Supplies			
Books	3,171	2,200	971
Technology	4,280	5,000	(720)
Miscellaneous	642	1,000	(358)
Other	704	1,000	(296)
Operations & Maintenance			
Salaries			
Noncertified	105,703	115,260	(9,557)
Employee Benefits			
Insurance	9,720	9,500	220
Social Security	7,465	8,500	(1,035)
Other	174	1,200	(1,026)
Purchased Professional & Technical Services	1,000	1,000	-
Purchased Property Services			
Water/Sewer	26,736	20,000	6,736
Repairs & Maintenance	40,833	25,000	15,833
Other	5,225	2,500	2,725
Other Purchased Services	805	750	55
Supplies			
General	31,575	30,000	1,575
Energy			
Heating	35,619	40,570	(4,951)
Electricity	170,333	150,000	20,333
Motor Fuel	1,304	2,000	(696)
Vehicle Operating Services			
Other Purchased Services			
Contracting of Bus Services	47,367	175,000	(127,633)

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
For The Year Ended June 30, 2011

SUPPLEMENTAL GENERAL FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Outgoing Transfers			
Driver Training Fund	\$ 12,000	\$ 5,000	\$ 7,000
Professional Development Fund	10,000	15,000	(5,000)
Parent Education Program Fund	23,400	22,700	700
Special Education Fund	505,004	561,116	(56,112)
Textbook & Student Material Revolving Fund	16,373	-	16,373
Adjustment to Comply with Legal Max	-	(10,506)	10,506
Total Expenditures	<u>1,762,867</u>	<u>\$ 1,762,867</u>	<u>\$ -</u>
Cash Receipts Over (Under) Expenditures	50,050		
UNENCUMBERED CASH, July 1, 2010	<u>(28,748)</u>		
UNENCUMBERED CASH, June 30, 2011	<u>\$ 21,302</u>		

See Note 15 (Statutory Presentation)

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
For The Year Ended June 30, 2011

AT RISK FUND (4 YEAR OLD)

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Incoming Transfer			
General Fund	\$ 120,059	\$ 131,000	\$ (10,941)
<b>EXPENDITURES</b>			
Instruction			
Salaries			
Certified	74,974	\$ 82,955	\$ (7,981)
Noncertified	21,499	28,765	(7,266)
Employee Benefits			
Insurance	12,960	12,480	480
Social Security & Medicare	5,888	5,400	488
Other	73	1,200	(1,127)
Purchased Professional & Technical Services	4,399	200	4,199
Other Purchased Services	112	-	112
Supplies			
General	154	-	154
Total Expenditures	120,059	\$ 131,000	\$ (10,941)
Cash Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2010	-		
UNENCUMBERED CASH, June 30, 2011	\$ -		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
For The Year Ended June 30, 2011

AT RISK FUND (K-12)

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Other Revenue From Local Sources	\$ -	\$ 25,000	\$ (25,000)
Incoming Transfer			
General Fund	<u>226,442</u>	<u>290,000</u>	<u>(63,558)</u>
Total Cash Receipts	<u>226,442</u>	<u>\$ 315,000</u>	<u>\$ (88,558)</u>
<b>EXPENDITURES</b>			
Instruction			
Salaries			
Certified	233,573	\$ 278,967	\$ (45,394)
Noncertified	20,189	30,000	(9,811)
Employee Benefits			
Insurance	11,340	11,000	340
Social Security & Medicare	7,892	11,000	(3,108)
Other	98	2,500	(2,402)
Purchased Professional & Technical Services	4,200	7,000	(2,800)
Other Purchased Services			
Other	-	100	(100)
Supplies			
General	17	300	(283)
Other	<u>-</u>	<u>25,000</u>	<u>(25,000)</u>
Total Expenditures	<u>277,309</u>	<u>\$ 365,867</u>	<u>\$ (88,558)</u>
Cash Receipts Over (Under) Expenditures	(50,867)		
UNENCUMBERED CASH, July 1, 2010	<u>50,867</u>		
UNENCUMBERED CASH, June 30, 2011	<u>\$ -</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
For The Year Ended June 30, 2011

BILINGUAL EDUCATION FUND

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Incoming Transfer			
General Fund	<u>\$ 1,967</u>	<u>\$ 2,000</u>	<u>\$ (33)</u>
<b>EXPENDITURES</b>			
Instruction			
Salaries			
Certified	1,592	\$ -	\$ 1,592
Noncertified	170	1,886	(1,716)
Employee Benefits			
Social Security & Medicare	109	112	(3)
Other	1	2	(1)
Purchased Professional & Technical Services	<u>95</u>	<u>-</u>	<u>95</u>
Total Expenditures	<u>1,967</u>	<u>\$ 2,000</u>	<u>\$ (33)</u>
Cash Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2010	<u>-</u>		
UNENCUMBERED CASH, June 30, 2011	<u>\$ -</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
For The Year Ended June, 30, 2011

CAPITAL OUTLAY FUND

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
General Property Taxes			
Ad Valorem Taxes			
Tax in Process	\$ 17,424	\$ 11,675	\$ 5,749
Current Tax	333,930	325,959	7,971
Delinquent Tax	1,923	4,371	(2,448)
Motor Vehicle Tax	40,532	53,184	(12,652)
Recreational Vehicle Tax	507	619	(112)
Interest on Idle Funds	14,721	-	14,721
Other Revenue from Local Sources	58,339	-	58,339
Incoming Transfer			
General Fund	411,438	-	411,438
	<u>878,814</u>	<u>\$ 395,808</u>	<u>\$ 483,006</u>
Total Cash Receipts			
<b>EXPENDITURES</b>			
Instruction			
Property	28,101	\$ 200,000	\$ (171,899)
Student Support Services			
Property	36,144	220,000	(183,856)
Instructional Support Staff			
Property	-	125,000	(125,000)
General Administration			
Property	6,327	120,000	(113,673)
School Administration			
Property	3,827	20,000	(16,173)
Central Services			
Property	-	100,000	(100,000)
Operations & Maintenance			
Property	27,605	225,000	(197,395)
Other Support Services			
Property	-	12,000	(12,000)
Land Improvement	-	50,000	(50,000)
Architectural & Engineering Services	3,895	5,000	(1,105)
Site Improvement	16,483	50,000	(33,517)
Debt Service			
Interest	17,119	-	17,119
Principal	411,194	-	411,194
	<u>550,695</u>	<u>\$ 1,127,000</u>	<u>\$ (576,305)</u>
Total Expenditures			
Cash Receipts Over (Under) Expenditures	328,119		
UNENCUMBERED CASH, July 1, 2010	<u>1,316,769</u>		
UNENCUMBERED CASH, June 30, 2011	<u>\$ 1,644,888</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
For The Year Ended June 30, 2011

DRIVER TRAINING FUND

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Other Revenue from Local Sources	\$ 7,597	\$ -	\$ 7,597
State Aid	2,812	3,850	(1,038)
Incoming Transfers			
General Fund	-	2,000	(2,000)
Supplemental General Fund	12,000	5,000	7,000
	<u>22,409</u>	<u>\$ 10,850</u>	<u>\$ 11,559</u>
<b>EXPENDITURES</b>			
Instruction			
Salaries			
Certified	13,444	\$ 12,600	\$ 844
Employee Benefits			
Social Security	1,148	1,000	148
Other	15	20	(5)
Purchased Professional & Technical Services	244	200	44
Supplies			
General	-	225	(225)
Vehicle Operations & Maintenance Services			
Insurance	73	600	(527)
Motor Fuel	906	1,200	(294)
Other	15	-	15
	<u>15,845</u>	<u>\$ 15,845</u>	<u>\$ -</u>
Cash Receipts Over (Under) Expenditures	6,564		
UNENCUMBERED CASH, July 1, 2010	<u>14,045</u>		
UNENCUMBERED CASH, June 30, 2011	<u>\$ 20,609</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
For The Year Ended June 30, 2011

FEDERAL FUNDS					
	Title I	Title II-A Teacher Quality	Title II-D Education Technology	Total Federal Funds	Variance Over (Under)
<b>CASH RECEIPTS</b>					
Federal Aid	\$ 177,651	\$ 37,337	\$ 2,141	\$ 217,129	\$ 228,191
<b>EXPENDITURES</b>					
Instruction					
Salaries					
Certified	147,089	32,423	-	179,512	\$ 211,437
Noncertified	11,423	-	-	11,423	12,000
Employee Benefits					
Insurance	11,340	-	-	11,340	9,686
Social Security & Medicare	10,729	2,588	-	13,317	9,360
Other	137	33	-	170	-
Purchased Professional & Technical Services	70	-	2,075	2,145	3,000
Other Purchased Services	-	2,293	-	2,293	2,000
Other	-	-	66	66	200
Total Expenditures	180,788	37,337	2,141	220,266	\$ 247,683
Cash Receipts Over (Under) Expenditures	(3,137)	-	-	(3,137)	
UNENCUMBERED CASH, July 1, 2010	19,492	-	-	19,492	
UNENCUMBERED CASH, June 30, 2011	\$ 16,355	\$ -	\$ -	\$ 16,355	

\*Federal funds are not required by statute to be budgeted, this budget is for informational purposes only.

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET**  
For The Year Ended June 30, 2011

**FOOD SERVICE FUND**

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Student Lunch Receipts	\$ 151,149	\$ 159,370	\$ (8,221)
Breakfast Receipts	17,385	18,113	(728)
Special Milk	4,235	-	4,235
Adult Lunch Receipts	27,914	19,852	8,062
Miscellaneous	5,580	2,000	3,580
State Aid	4,550	3,700	850
Federal Aid	172,682	149,424	23,258
Incoming Transfer			
General Fund	-	20,000	(20,000)
	<u>383,495</u>	<u>\$ 372,459</u>	<u>\$ 11,036</u>
<b>EXPENDITURES</b>			
Food Service Operation			
Salaries			
Noncertified	115,119	\$ 131,000	\$ (15,881)
Employee Benefits			
Insurance	25,920	28,080	(2,160)
Social Security & Medicare	9,106	12,000	(2,894)
Other	2,192	3,000	(808)
Other Purchased Services			
Food Service Management	9,736	-	9,736
Supplies			
Food & Milk	182,655	195,000	(12,345)
Miscellaneous	11,369	1,500	9,869
Property	4,226	250	3,976
Other	777	1,000	(223)
	<u>361,100</u>	<u>\$ 371,830</u>	<u>\$ (10,730)</u>
Cash Receipts Over (Under) Expenditures	22,395		
UNENCUMBERED CASH, July 1, 2010	<u>53,724</u>		
UNENCUMBERED CASH, June 30, 2011	<u>\$ 76,119</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
For The Year Ended June 30, 2011

PROFESSIONAL DEVELOPMENT FUND

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>CASH RECEIPTS</b>			
Incoming Transfers			
General Fund	\$ -	\$ 20,000	\$ (20,000)
Supplemental General Fund	<u>10,000</u>	<u>15,000</u>	<u>(5,000)</u>
Total Cash Receipts	<u>10,000</u>	<u>\$ 35,000</u>	<u>\$ (25,000)</u>
<b>EXPENDITURES</b>			
Instructional Support Staff			
Salaries			
Certified	2,720	\$ 6,000	\$ (3,280)
Noncertified	-	2,000	(2,000)
Employee Benefits			
Social Security & Medicare	208	600	(392)
Other	3	10	(7)
Purchased Professional & Technical Services	<u>5,424</u>	<u>26,400</u>	<u>(20,976)</u>
Total Expenditures	<u>8,355</u>	<u>\$ 35,010</u>	<u>\$ (26,655)</u>
Cash Receipts Over (Under) Expenditures	1,645		
UNENCUMBERED CASH, July 1, 2010	<u>17,885</u>		
UNENCUMBERED CASH, June 30, 2011	<u>\$ 19,530</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
For The Year Ended June 30, 2011

PARENT EDUCATION PROGRAM FUND

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Payments from Other Districts	\$ 36,600	\$ 36,600	\$ -
Other Revenue From Local Sources	-	100	(100)
State Aid	40,641	81,282	(40,641)
Reimbursements	18	-	18
Incoming Transfer			
Supplemental General Fund	23,400	22,700	700
<b>Total Cash Receipts</b>	<u>100,659</u>	<u>\$ 140,682</u>	<u>\$ (40,023)</u>
<b>EXPENDITURES</b>			
Student Support Services			
Salaries			
Noncertified	80,512	\$ 83,751	\$ (3,239)
Employee Benefits			
Insurance	12,960	12,480	480
Social Security & Medicare	5,541	5,527	14
Other	69	2,931	(2,862)
Purchased Professional & Technical Services	10,667	10,000	667
Purchased Property Services	4,580	-	4,580
Other Purchased Services	14,022	12,500	1,522
Supplies			
Miscellaneous	9,046	11,000	(1,954)
Property	4,340	5,000	(660)
Other	1,500	1,853	(353)
Other Supplemental Service			
Salaries			
Certified	5,000	5,000	-
Noncertified	2,605	1,168	1,437
Employee Benefits			
Social Security & Medicare	538	432	106
Other	7	-	7
Purchased Professional & Technical Services	170	200	(30)
Other Purchased Services	176	-	176
<b>Total Expenditures</b>	<u>151,733</u>	<u>\$ 151,842</u>	<u>\$ (109)</u>
Cash Receipts Over (Under) Expenditures	(51,074)		
UNENCUMBERED CASH, July 1, 2010	<u>22,378</u>		
UNENCUMBERED CASH, June 30, 2011	<u>\$ (28,696) *</u>		

\*See Note 4a(Cash Basis Law)  
See Note 13(Parent Education Program Fund)

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
For The Year Ended June 30, 2011

SPECIAL EDUCATION FUND

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>CASH RECEIPTS</b>			
Incoming Transfers			
General Fund	\$ 801,399	\$ 928,357	\$ (126,958)
Supplemental General Fund	<u>505,004</u>	<u>561,116</u>	<u>(56,112)</u>
Total Cash Receipts	<u>1,306,403</u>	<u>\$ 1,489,473</u>	<u>\$ (183,070)</u>
<b>EXPENDITURES</b>			
Outgoing Transfers			
Cooperative Fund	1,270,118	\$ 1,489,473	\$ (219,355)
Infant/Toddler Targeted Fund	<u>36,285</u>	<u>-</u>	<u>36,285</u>
Total Expenditures	<u>1,306,403</u>	<u>\$ 1,489,473</u>	<u>\$ (183,070)</u>
Cash Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2010	<u>210,242</u>		
UNENCUMBERED CASH, June 30, 2011	<u>\$ 210,242</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
For The Year Ended June 30, 2011

VOCATIONAL EDUCATION FUND

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
Student Activity Reimbursement	\$ 16,223	\$ -	\$ 16,223
Other Revenue From Local Sources	364	-	364
Federal Aid	4,277	-	4,277
Incoming Transfer			
General Fund	195,610	342,000	(146,390)
<b>Total Cash Receipts</b>	<u>216,474</u>	<u>\$ 342,000</u>	<u>\$ (125,526)</u>
<b>EXPENDITURES</b>			
Instruction			
Salaries			
Certified	197,974	\$ 266,400	\$ (68,426)
Employee Benefits			
Insurance	15,001	15,600	(599)
Social Security & Medicare	13,929	19,000	(5,071)
Other	174	2,000	(1,826)
Purchased Professional & Technical Services	1,972	1,700	272
Other Purchased Services			
Tuition/Other State LEA's	6,238	16,000	(9,762)
Other	661	-	661
Supplies			
General	25,243	20,000	5,243
Textbooks	272	-	272
Miscellaneous	756	1,300	(544)
Property	5,406	-	5,406
<b>Total Expenditures</b>	<u>267,626</u>	<u>\$ 342,000</u>	<u>\$ (74,374)</u>
Cash Receipts Over (Under) Expenditures	(51,152)		
UNENCUMBERED CASH, July 1, 2010	<u>51,152</u>		
UNENCUMBERED CASH, June 30, 2011	<u>\$ -</u>		

The notes to the financial statements are an integral part of this statement.

**UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas**

**Statement 3  
(Cont.)**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL  
For The Year Ended June 30, 2011**

**HEALTH CARE SERVICES RESERVE FUND**

	<u>Actual</u>
<b>CASH RECEIPTS</b>	
Health Insurance Payroll Deduction	\$ 563,692
Employer Share Health Insurance	858,427
Reimbursement Retirees Health Insurance Premiums	76,088
Reimbursement Claims Benefit	<u>76,455</u>
 Total Cash Receipts	 <u>1,574,662</u>
 <b>EXPENDITURES</b>	
Self-Insured Insurance & Medical Payments	<u>1,195,332</u>
 Cash Receipts Over (Under) Expenditures	 379,330
 UNENCUMBERED CASH, July 1, 2010	 <u>548,559</u>
 UNENCUMBERED CASH, June 30, 2011	 <u><u>\$ 927,889</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET  
For The Year Ended June 30, 2011

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

	Actual	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>			
State Aid	\$ 740,711	\$ 630,176	\$ 110,535
<b>EXPENDITURES</b>			
Instruction			
Employee Benefits	304,855	\$ 403,313	\$ (98,458)
Student Support Services			
Employee Benefits	66,687	88,225	(21,538)
Instructional Support Staff			
Employee Benefits	28,580	37,810	(9,230)
General Administration			
Employee Benefits	14,290	18,905	(4,615)
School Administration			
Employee Benefits	19,054	25,207	(6,153)
Other Supplemental Service			
Employee Benefits	4,763	6,302	(1,539)
Operations & Maintenance			
Employee Benefits	23,817	31,509	(7,692)
Student Transportation Services			
Employee Benefits	4,763	6,302	(1,539)
Food Service			
Employee Benefits	9,527	12,603	(3,076)
Total Expenditures	476,336	\$ 630,176	\$ (153,840)
Cash Receipts Over (Under) Expenditures	264,375		
UNENCUMBERED CASH, July 1, 2010	(264,375) *		
UNENCUMBERED CASH, June 30, 2011	\$ -		

\* See Note 4A (Cash Basis Law)

See Note 14 (KPERS Special Retirement Contribution)

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL  
For The Year Ended June 30, 2011

CONTINGENCY RESERVE FUND

	<u>Actual</u>
CASH RECEIPTS	<u>\$ -</u>
EXPENDITURES	<u>-</u>
Cash Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, July 1, 2010	<u>605,273</u>
UNENCUMBERED CASH, June 30, 2011	<u><u>\$ 605,273</u></u>

TEXTBOOK & STUDENT MATERIAL REVOLVING FUND

	<u>Actual</u>
CASH RECEIPTS	
Rental Fees	\$ 18,755
Incoming Transfer	
Supplemental General Fund	<u>16,373</u>
Total Cash Receipts	<u>35,128</u>
EXPENDITURES	<u>-</u>
Cash Receipts Over (Under) Expenditures	35,128
UNENCUMBERED CASH, July 1, 2010	<u>26,605</u>
UNENCUMBERED CASH, June 30, 2011	<u><u>\$ 61,733</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL & BUDGET  
For The Year Ended June 30, 2011

COOPERATIVE SPECIAL EDUCATION FUND

	Infant/ Toddler Targeted Fund	Cooperative Fund	Medicaid Fund	Total Cooperative Special Education Fund	Budget	Variance Over (Under)
<b>CASH RECEIPTS</b>						
Payments from Other Districts	\$ 15,600	\$ 2,265,079	\$ -	\$ 2,280,679	\$ 3,371,027	\$ (1,090,348)
Interest on Idle Funds	-	4,146	-	4,146	5,000	(854)
Other Revenue from Local Sources	3,000	16,327	-	19,327	15,000	4,327
State Aid	16,270	-	-	16,270	-	16,270
Federal Aid	34,604	716,302	-	750,906	911,214	(160,308)
Medicaid	-	-	193,225	193,225	-	193,225
Incoming Transfer						
Special Education Fund	36,285	1,270,118	-	1,306,403	-	1,306,403
<b>Total Cash Receipts</b>	<b>105,759</b>	<b>4,271,972</b>	<b>193,225</b>	<b>4,570,956</b>	<b>\$ 4,302,241</b>	<b>\$ 268,715</b>
<b>EXPENDITURES</b>						
Instruction						
Salaries						
Certified	-	978,560	7,200	985,760	\$ 1,599,738	\$ (613,978)
Noncertified	-	1,120,529	80	1,120,609	1,145,399	(24,790)
Employee Benefits						
Insurance	-	317,232	-	317,232	346,320	(29,088)
Social Security & Medicare	-	139,438	550	139,988	150,000	(10,012)
Other	-	10,242	7	10,249	46,000	(35,751)
Purchased Professional & Technical Services	-	8,651	24,810	33,461	-	33,461
Purchased Property Services	-	-	-	-	200	(200)
Other Purchased Services	-	33,322	720	34,042	50,000	(15,958)
Supplies	-	8,780	29,757	38,537	40,000	(1,463)
Property	-	-	51,365	51,365	54,000	(2,635)
Other	-	6,040	-	6,040	7,800	(1,760)

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL & BUDGET  
For The Year Ended June 30, 2011

COOPERATIVE SPECIAL EDUCATION FUND

	Infant/ Toddler Targeted Fund	Cooperative Fund	Medicaid Fund	Total Cooperative Special Education Fund	Budget	Variance Over (Under)
<b>EXPENDITURES (Cont.)</b>						
Student Support Services						
Salaries						
Certified	\$ 39,266	\$ 514,916	\$ -	\$ 554,182	\$ 595,000	\$ (40,818)
Noncertified	1,614	45,538	-	47,152	14,500	32,652
Employee Benefits						
Insurance	3,564	65,610	-	69,174	60,530	8,644
Social Security & Medicare	4,107	42,434	-	46,541	49,500	(2,959)
Other	51	9,336	-	9,387	24,200	(14,813)
Purchased Professional & Technical Services	3,515	884	-	4,399	31,600	(27,201)
Purchased Property Services	3,000	-	-	3,000	1,500	1,500
Other Purchased Services	6,382	42,366	-	48,748	39,300	9,448
Supplies	12,694	973	-	13,667	8,000	5,667
Property	-	-	-	-	2,000	(2,000)
Other	-	268	-	268	100	168
Instructional Support Staff						
Salaries						
Certified	-	30,015	155,155	185,170	52,850	132,320
Noncertified	-	1,332	-	1,332	28,500	(27,168)
Employee Benefits						
Insurance	-	8,262	2,160	10,422	3,120	7,302
Social Security & Medicare	-	3,130	10,654	13,784	5,850	7,934
Other	-	39	132	171	1,000	(829)
Purchased Professional & Technical Services	22,801	429	2,332	25,562	17,650	7,912
Other Purchased Services	-	2,808	3,135	5,943	3,100	2,843
Supplies	-	-	-	-	7,000	(7,000)
Other	-	-	167	167	-	167

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL & BUDGET  
For The Year Ended June 30, 2011

COOPERATIVE SPECIAL EDUCATION FUND

	Infant/ Toddler Targeted Fund	Cooperative Fund	Medicaid Fund	Total Cooperative Special Education Fund	Budget	Variance Over (Under)
<b>EXPENDITURES (Cont.)</b>						
General Administration						
Salaries						
Certified	\$ -	\$ 78,625	\$ -	\$ 78,625	\$ 80,000	\$ (1,375)
Noncertified	-	24,017	5,000	29,017	7,100	21,917
Employee Benefits						
Insurance	-	7,193	-	7,193	10,100	(2,907)
Social Security & Medicare	-	5,389	383	5,772	8,850	(3,078)
Other	-	979	5	984	2,000	(1,016)
Purchased Professional & Technical Services	-	8,528	15,000	23,528	30,000	(6,472)
Purchased Property Services	-	-	-	-	4,500	(4,500)
Other Purchased Services	-	8,203	322	8,525	4,500	4,025
Supplies	-	6,703	-	6,703	700	6,003
Property	-	-	-	-	1,000	(1,000)
Other	-	1,052	-	1,052	1,500	(448)
Operations & Maintenance						
Salaries						
Noncertified	-	1,796	-	1,796	1,000	796
Employee Benefits						
Social Security & Medicare	-	136	-	136	75	61
Other	-	2	-	2	-	2
Purchased Professional & Technical Services	-	-	-	-	300	(300)
Purchased Property Services	-	4,602	-	4,602	19,250	(14,648)
Supplies	-	2,763	23	2,786	3,400	(614)
Vehicle Operating Services						
Salaries						
Noncertified	-	24,122	-	24,122	28,000	(3,878)

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL & BUDGET  
For The Year Ended June 30, 2011

COOPERATIVE SPECIAL EDUCATION FUND

	Infant/ Toddler Targeted Fund	Cooperative Fund	Medicaid Fund	Total Cooperative Special Education Fund	Budget	Variance Over (Under)
EXPENDITURES (Cont.)						
Vehicle Operating Services (Cont.)						
Employee Benefits						
Insurance	\$ -	\$ 3,240	\$ -	\$ 3,240	\$ 3,120	\$ 120
Social Security & Medicare	-	1,564	-	1,564	1,800	(236)
Other	-	19	-	19	550	(531)
Purchased Property Services						
Rent of Vehicles	-	31,526	-	31,526	35,000	(3,474)
Other	-	3,304	-	3,304	4,000	(696)
Other Purchased Services	-	6,501	-	6,501	5,800	701
Supplies	-	-	-	-	3,100	(3,100)
Equipment	-	-	-	-	275	(275)
Other	-	673	-	673	400	273
Vehicle & Maintenance Services						
Purchased Property Services	-	927	-	927	-	927
Other Supplemental Services						
Salaries						
Noncertified	-	-	4,274	4,274	-	4,274
Employee Benefits						
Insurance	-	-	1,127	1,127	-	1,127
Social Security & Medicare	-	-	2,700	2,700	-	2,700
Other	-	-	14	14	-	14
Purchased Professional & Technical Services	-	-	25	25	-	25
Other Purchased Services	-	-	604	604	-	604
Total Expenditures	<u>96,994</u>	<u>3,612,998</u>	<u>317,701</u>	<u>4,027,693</u>	<u>\$ 4,641,077</u>	<u>\$ (613,384)</u>
Cash Receipts Over (Under) Expenditures	8,765	658,974	(124,476)	543,263		
UNENCUMBERED CASH July 1, 2010	<u>12,661</u>	<u>29,075</u>	<u>794,368</u>	<u>836,104</u>		
UNENCUMBERED CASH June 30, 2011	<u>\$ 21,426</u>	<u>\$ 688,049</u>	<u>\$ 669,892</u>	<u>\$ 1,379,367</u>		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL  
For The Year Ended June 30, 2011

	GIFTS & GRANTS FUND					
	Gifts & Grants Fund	Smart Start Grant Fund	Other Gifts & Grants Fund	Total	Budget *	Variance Over (Under)
<b>CASH RECEIPTS</b>						
Other Revenue From Local Sources	\$ -	\$ 286,599	\$ 302	\$ 286,901	\$ -	\$ 286,901
Interest on Idle Funds	-	-	38	38	-	38
Reimbursements	-	-	2,365	2,365	-	2,365
State Aid	-	539,005	-	539,005	-	539,005
Federal Aid	-	17,830	-	17,830	-	17,830
Miscellaneous	-	36,542	-	36,542	-	36,542
<b>Total Cash Receipts</b>	<b>-</b>	<b>879,976</b>	<b>2,705</b>	<b>882,681</b>	<b>-</b>	<b>882,681</b>
<b>EXPENDITURES</b>						
Instruction						
Salaries						
Certified	-	14,026	-	14,026	-	14,026
Noncertified	-	356,786	-	356,786	-	356,786
Employee Benefits						
Insurance	-	18,360	-	18,360	-	18,360
Social Security & Medicare	-	26,738	-	26,738	-	26,738
Other	-	635	-	635	-	635
Purchased Professional & Technical Services	-	10,843	-	10,843	-	10,843
Purchased Property Services	-	2,250	-	2,250	-	2,250
Other Purchased Services	-	5,697	-	5,697	-	5,697
Supplies	-	18,027	-	18,027	-	18,027
Property	-	5,890	-	5,890	-	5,890
Other	-	1,328	-	1,328	-	1,328
Student Support Services						
Salaries						
Certified	-	135,072	-	135,072	-	135,072
Noncertified	-	95,254	-	95,254	-	95,254

\* Gifts & Grants Funds are not required by statute to be budgeted, this budget is for informational purposes only.

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL  
For The Year Ended June 30, 2011

GIFTS & GRANTS FUND (Cont.)						
	<u>Gifts &amp; Grants Fund</u>	<u>Smart Start Grant Fund</u>	<u>Other Gifts &amp; Grants Fund</u>	<u>Total</u>	<u>Budget *</u>	<u>Variance Over (Under)</u>
EXPENDITURES (Cont.)						
Student Support Services (Cont.)						
Employee Benefits						
Insurance	\$ -	\$ 30,204	\$ -	\$ 30,204	\$ -	\$ 30,204
Social Security & Medicare	-	15,640	-	15,640	-	15,640
Other	-	199	-	199	-	199
Purchased Professional & Technical Services	-	38,214	-	38,214	-	38,214
Purchased Property Services	-	5,250	-	5,250	-	5,250
Other Purchased Services	-	12,797	-	12,797	-	12,797
Supplies	-	16,150	-	16,150	-	16,150
Property	-	13,116	-	13,116	-	13,116
Other	-	63	1,257	1,320	-	1,320
Instructional Support Staff						
Supplies						
Books & Periodicals	4	-	-	4	-	4
Operations & Maintenance						
Salaries						
Noncertified	-	1,302	-	1,302	-	1,302
Employee Benefits						
Social Security & Medicare	-	99	-	99	-	99
Other	-	1	-	1	-	1
Purchased Professional & Technical Services	-	609	-	609	-	609
Purchased Property Services						
Repairs & Maintenance	-	2,339	-	2,339	-	2,339
Other	-	945	-	945	-	945
Supplies	-	3,145	-	3,145	-	3,145
Property	-	519	-	519	-	519
Food Service Operation						
Salaries						
Noncertified	-	2,400	-	2,400	-	2,400

\* Gifts & Grants Funds are not required by statute to be budgeted, this budget is for informational purposes only.

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL  
For The Year Ended June 30, 2011

GIFTS & GRANTS FUND (Cont.)						
	<u>Gifts &amp; Grants Fund</u>	<u>Smart Start Grant Fund</u>	<u>Other Gifts &amp; Grants Fund</u>	<u>Total</u>	<u>Budget *</u>	<u>Variance Over (Under)</u>
EXPENDITURES (Cont.)						
Food Service Operation						
Employee Benefits						
Social Security & Medicare	\$ -	\$ 145	\$ -	\$ 145	\$ -	\$ 145
Other	-	2	-	2	-	2
Purchased Professional & Technical Services	-	60	-	60	-	60
Other Purchased Services	-	104	-	104	-	104
Supplies						
Food & Milk	-	22,819	-	22,819	-	22,819
Miscellaneous	-	2,148	-	2,148	-	2,148
Property	-	82	-	82	-	82
Other	-	1,082	-	1,082	-	1,082
	<u>4</u>	<u>860,340</u>	<u>1,257</u>	<u>861,601</u>	<u>\$ -</u>	<u>\$ 861,601</u>
Total Expenditures	4	860,340	1,257	861,601	\$ -	\$ 861,601
Cash Receipts Over (Under) Expenditures	(4)	19,636	1,448	21,080		
UNENCUMBERED CASH, July 1, 2010	<u>4</u>	<u>136,195</u>	<u>6,252</u>	<u>142,451</u>		
UNENCUMBERED CASH, June 30, 2011	<u>\$ -</u>	<u>\$ 155,831</u>	<u>\$ 7,700</u>	<u>\$ 163,531</u>		

\* Gifts & Grants Funds are not required by statute to be budgeted, this budget is for informational purposes only.

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL  
For The Year Ended June 30, 2011

DISTRICT ACTIVITY FUNDS

	<u>Actual</u>
CASH RECEIPTS	<u>\$ 144,917</u>
EXPENDITURES	<u>144,934</u>
Cash Receipts Over (Under) Expenditures	(17)
UNENCUMBERED CASH, July 1, 2010	<u>34,286</u>
UNENCUMBERED CASH, June 30, 2011	<u><u>\$ 34,269</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL  
For The Year Ended June 30, 2011

BELLES SCHOLARSHIP FUND

	<u>Actual</u>
<b>CASH RECEIPTS</b>	
Interest on Idle Funds	<u>\$ 29</u>
<b>EXPENDITURES</b>	
Scholarship	<u>29</u>
Cash Receipts Over (Under) Expeditures	-
UNENCUMBERED CASH July 1, 2010	<u>1,510</u>
UNENCUMBERED CASH June 30, 2011	<u><u>\$ 1,510</u></u>

HELEN BABB SCHOLARSHIP FUND

	<u>Actual</u>
<b>CASH RECEIPTS</b>	
Interest on Idle Funds	<u>\$ 152</u>
<b>EXPENDITURES</b>	
Scholarship	<u>304</u>
Cash Receipts Over (Under) Expeditures	(152)
UNENCUMBERED CASH July 1, 2010	<u>8,200</u>
UNENCUMBERED CASH June 30, 2011	<u><u>\$ 8,048</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 3  
(Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL  
For The Year Ended June 30, 2011

VO-AG SCHOLARSHIP FUND

	<u>Actual</u>
<b>CASH RECEIPTS</b>	
Interest on Idle Funds	<u>\$ 50</u>
<b>EXPENDITURES</b>	
Scholarship	<u>50</u>
Cash Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH July 1, 2010	<u>2,655</u>
UNENCUMBERED CASH June 30, 2011	<u><u>\$ 2,655</u></u>

The notes to the financial statements are an integral part of this statement.

**UNIFIED SCHOOL DISTRICT NO. 273**  
**Beloit, Kansas**

**Statement 4**

**SUMMARY OF CASH RECEIPTS AND CASH DISBURSEMENTS**  
**For The Year Ended June 30, 2011**

**AGENCY FUNDS**

<b>FUND</b>	<b>Beginning Cash Balance</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Ending Cash Balance</b>
<b>Student Organization Funds</b>	<b>\$ 61,462</b>	<b>\$ 110,127</b>	<b>\$ 102,190</b>	<b>\$ 69,399</b>
<b>Payroll Clearing Fund</b>	<b>2,110</b>	<b>3,263</b>	<b>2,899</b>	<b>2,474</b>
<b>Sales Tax Fund</b>	<b>-</b>	<b>14,123</b>	<b>14,118</b>	<b>5</b>
<b>Wellness Center Dues</b>	<b>(44)</b>	<b>8,418</b>	<b>8,374</b>	<b>-</b>
<b>Total</b>	<b>\$ 63,528</b>	<b>\$ 135,931</b>	<b>\$ 127,581</b>	<b>\$ 71,878</b>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 5

STATEMENT OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
For The Year Ended June 30, 2011

DISTRICT ACTIVITY FUNDS

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>GATE RECEIPTS</b>							
Sr. High Athletics	\$ 2,384	\$ -	\$ 88,518	\$ 90,227	\$ 675	\$ 12,006	\$ 12,681
Jr. High Athletics	447	-	5,705	5,917	235	-	235
Drama	7,334	-	839	751	7,422	-	7,422
<b>Total Gate Receipts</b>	<b>10,165</b>	<b>-</b>	<b>95,062</b>	<b>96,895</b>	<b>8,332</b>	<b>12,006</b>	<b>20,338</b>
<b>SCHOOL PROJECTS</b>							
Concessions	3,680	-	26,399	24,648	5,431	-	5,431
Jr. & Sr. High School Paper	477	-	330	604	203	-	203
Jr. & Sr. High Yearbook	17,129	-	12,671	11,195	18,605	-	18,605
Jr. & Sr. High Book Fund	200	-	161	290	71	290	361
5th & 6th Grade Rockets	95	-	672	746	21	-	21
Elementary Preschool & Garden Project	145	-	-	-	145	-	145
Elementary Vocal Music	-	-	500	-	500	-	500
Elementary Written & Illustrated	171	-	590	408	353	-	353
Elementary Student Field Trips	2,224	-	5,800	7,416	608	-	608
Jr. & Sr. High Fee Funds	-	-	2,506	2,506	-	2,506	2,506
Elementary Fee Funds	-	-	226	226	-	226	226
<b>Total School Projects</b>	<b>24,121</b>	<b>-</b>	<b>49,855</b>	<b>48,039</b>	<b>25,937</b>	<b>3,022</b>	<b>28,959</b>
<b>Total District Activity Funds</b>	<b>\$ 34,286</b>	<b>\$ -</b>	<b>\$ 144,917</b>	<b>\$ 144,934</b>	<b>\$ 34,269</b>	<b>\$ 15,028</b>	<b>\$ 49,297</b>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Statement 6

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS  
For The Year Ended June 30, 2011

STUDENT ORGANIZATION FUNDS

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
<b>STUDENT ORGANIZATION FUNDS</b>				
FFA	\$ 1,877	\$ 13,722	\$ 13,730	\$ 1,869
Cheerleading	938	5,415	5,112	1,241
Language Club	1,598	-	-	1,598
Art & Photo Club	3,703	650	803	3,550
Science Club	1,298	629	529	1,398
Scholar's Bowl	1,506	525	517	1,514
Student Council	3,686	18,008	18,016	3,678
Technology Club	29	-	-	29
American Field Study Club	2,893	178	455	2,616
Class of 2014	-	910	590	320
Class of 2013	815	2,205	674	2,346
Class of 2012	3,012	7,245	6,644	3,613
Class of 2011	1,715	791	2,506	-
FCCLA	511	4,107	3,404	1,214
FBLA	12	-	-	12
Music Club	32,560	46,083	40,270	38,373
Future Medical Students	462	1,195	859	798
Jr. High Kayettes	927	3,175	2,817	1,285
Special Education Olympics	1,712	1,449	1,310	1,851
SADD	1,075	55	76	1,054
B-Club	1,119	3,133	3,638	614
Improvisational Troupe	14	-	14	-
FCA	-	652	226	426
<b>Total Student Organization Funds</b>	<u><u>\$ 61,462</u></u>	<u><u>\$ 110,127</u></u>	<u><u>\$ 102,190</u></u>	<u><u>\$ 69,399</u></u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

Unified School District No. 273, Beloit, Kansas operates as a unified school district in accordance with the laws of the State of Kansas. The District is governed by an elected seven-member board and provides the following services: education, culture, and recreation.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 39, "Determining Whether Certain Organizations Are Component Units," in that the financial statements include all organizations, activities and functions for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either the District's ability to impose its will over a component unit, or the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. On that basis, the reporting entity of the District includes the services of the District only (i.e., there are no component units).

**FUND ACCOUNTING**

The accounts of the District are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Funds are classified into three categories: governmental, proprietary, and fiduciary. Within each of these three categories there are one or more fund types. The District uses the following fund types:

**Governmental Type Funds:**

**General Funds**--General Funds are used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds**--Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are legally restricted to expenditures for specified purposes.

**Fiduciary Type Funds:**

**Private Purpose Trust Funds**--Private Purpose Trust Funds are used to report trust agreements where both the principal and interest benefit individuals, private organizations, or other governments. The principal and revenue are not being used for the District's benefit.

**Agency Funds**--Agency Funds generally are used to account for assets that the government holds on behalf of others as their agent.

### **BASIS OF ACCOUNTING**

**Statutory Basis of Accounting**--The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

**Departure from Accounting Principles Generally Accepted in the United States of America**--The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles in the United States of America. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

### **LEAVE POLICIES**

Classified employees of the District are eligible for vacation days. Twelve month classified employees are granted ten days of paid vacation after the first year of employment, fifteen days after eight years of employment, and twenty days after thirty years of employment. Vacation shall be taken in the year in which it is earned and shall not be accumulated. Therefore, there is no accumulated vacation leave accrued as of June 30, 2011.

The District has a leave policy, which includes sick leave and compensated leave, whereby each certified and classified full-time employee is granted ten leave days per school year. Any unused sick leave can accumulate to a maximum of one hundred twenty days. Compensated leave shall convert to sick leave if not used during the current year. Upon retirement, as defined by KPERS, disability or death of any certified or classified employee with six or more years service in the District, the District will pay for accumulated sick leave according to the District's formula based on current salary and years of service to the District, limited to a maximum of \$3,600.

The cost of accumulated sick leave accrued as of June 30, 2011 is shown in Footnote 16, and will be recorded as a normal expenditure at the time that leave is utilized.

## **REIMBURSEMENTS**

Reimbursements are defined as repayments of amounts remitted on behalf of another party. All reimbursements shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursement was directly tied to the amount of the original cash disbursement.

## **2. BUDGETARY INFORMATION**

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of the notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such amendments for the year ended June 30, 2011.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital projects funds, fiduciary funds, permanent funds, and the following special revenue funds:

Federal Funds  
Health Care Services Reserve Fund  
Contingency Reserve Fund  
Textbook & Student Material Revolving Fund  
Gifts and Grants Fund  
District Activity Funds

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

### **3. PROPERTY TAXES**

Property taxes are levied November 1<sup>st</sup> of the calendar year. A lien is placed on the property when the taxes are levied. The taxes are due ½ on December 20<sup>th</sup> and ½ the following May 10<sup>th</sup>. Any taxes unpaid at the due dates are considered delinquent. Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year: such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operation of the District and therefore are not susceptible to accrual.

It is not practical to apportion delinquent taxes held by the County Treasurer at the end of the audit period and, further, the amounts thereof are not material to the financial statements taken as a whole.

### **4. COMPLIANCE WITH KANSAS STATUTES**

#### **A. Cash Basis Law:**

K.S.A. 10-1113 requires each fund to comply with the cash basis laws of Kansas. That is, no commitments or indebtedness should be incurred unless there is available cash in the fund.

The General Fund and the Parents Education Program Fund incurred indebtedness in excess of the available cash balance.

The General Fund expenditures exceeded the fund balance due to the final June state aid payment. The June state aid for the General Fund of \$464,910 was received July 6, 2011. K.S.A. 10-1116a exempts expenditures by school districts that are in excess of current revenues if the deficit in revenues is caused by the late distribution of general or supplemental general state aid.

The deficit in the Parent Education Program Fund was also due to the receipt of the state aid of \$39,873 received by the District July 14, 2011. K.S.A. 10-1116a does not exempt expenditures for the deficits caused by the late distribution of the Parent Education Program aid. Therefore, the District is in violation of K.S.A. 10-1113, due to the late distribution of Parent Education aid.

At the beginning of the year, there was a deficit balance in the KPERS Special Retirement Fund due to the late receipt of the KPERS Special Retirement Aid from the State. The District received KPERS Retirement Aid of \$132,402 and \$131,973 on July 7, 2010 and July 8, 2010, respectively. K.S.A. 10-1116a does not exempt expenditures for the deficit caused by the late distribution of KPERS Special Retirement Aid. Therefore, the District was in violation of K.S.A. 10-1113 until the payment on July 8, 2010 was received.

**B. School Activity Funds:**

K.S.A. 72-8208a requires school activity funds to be authorized and accounted for properly. The District's Activity Funds were not in compliance with K.S.A. 72-8208a, due to accounting for the Belles, Helen Babb and Vo-Ag Scholarship Funds as Student Activity Funds rather than accounting for them at the District level.

**C. Mandatory Purchase of Products:**

K.S.A. 75-3317 through 75-3322 requires districts to make purchases of products offered by Kansas industries for the blind and severely disabled. The District failed to make mandatory purchases offered by these industries during the year ending June 30, 2011.

## **5. DEPOSITS AND INVESTMENTS**

### **Deposits**

As of June 30, 2011, the District had no investments other than certificates of deposit, which are considered deposits under GASB Statement No. 3. K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located or in an adjoining county if such institution has been designated as an official depository and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; savings and loan associations savings banks that participate in the Certificate of Deposit Account Registry Service (CDARS); U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

### **Concentration of Credit Risk**

State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

### Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during the designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2011.

At June 30, 2011, the District's carrying amount of deposits was \$6,143,194 and the bank balance was \$6,781,187, which includes \$2,400,000 invested in the CDARS program. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance \$2,662,165 was covered by federal depository insurance, \$4,119,022 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

### Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

## **6. INTERFUND TRANSFERS**

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	At Risk Fund (4 Year Old)	K.S.A. 72-6428	\$ 120,059
General Fund	At Risk Fund (K-12)	K.S.A. 72-6428	226,442
General Fund	Bilingual Education Fund	K.S.A. 72-6428	1,967
General Fund	Capital Outlay Fund	K.S.A. 72-6428	411,438
General Fund	Special Education Fund	K.S.A. 72-6428	801,399
General Fund	Vocational Education Fund	K.S.A. 72-6428	195,610
Supplemental General Fund	Driver Training Fund	K.S.A. 72-6433	12,000
Supplemental General Fund	Professional Development Fund	K.S.A. 72-6433	10,000
Supplemental General Fund	Parent Education Program Fund	K.S.A. 72-6433	23,400
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	505,004
Supplemental General Fund	Textbook & Student Material Revolving Fund	K.S.A. 72-6433	16,373
Special Education Fund	Cooperative Fund	K.S.A. 72-6420	1,270,118
Special Education Fund	Infant/Toddler Targeted Fund	K.S.A. 72-6420	36,285

## **7. DEFINED BENEFIT PENSION PLAN**

Plan Description: Unified School District No. 273 participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq*, KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S Kansas, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

**Funding Policy:** K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary for active members hired before July 1, 2009. For active members employed on or after July 1, 2009, K.S.A. 74-49,210 establishes the KPERS member-employee contribution rate at 6% of covered salaries. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Service Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 9.17% of covered payroll, which includes pension contributions and group disability insurance. From April 1, 2011 through June 30, 2011, there was a moratorium on the collection of the 1% Group Death and Disability Insurance premium. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2010 and 2009 were \$248,468,186, \$242,277,363, respectively, equal to the required contributions for each year. For the year ending June 30, 2011, the required contribution was \$253,834,044. As of June 30, 2011, the State of Kansas had contributed \$188,864,352. The remaining \$64,969,692 was contributed by July 12, 2011. The amounts attributable to the District for the years ending June 30, 2011, 2010 and 2009 were \$476,336, \$547,979, and \$530,283.

## **8. SELF-FUNDED HEALTH INSURANCE FUND**

The District participates in a self-insurance fund program for medical and prescription insurance, which covers active, full-time teachers and half-time teachers who work three and a half hours per day. The plan also covers active, full-time employees who work at least 1,200 hours per employment year, and active part-time employees who work at least seventeen and a half hours per week during the employment year.

Premiums from the employees and the District are paid to Blue Cross Blue Shield (BCBS), the Plan Supervisor. The premiums are available to pay claims and administrative costs of the program. The agreement to participate provides that BCBS will be partially self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$35,000 for each insured event.

## **9. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters for which the District purchases commercial insurance.

During the year ended June 30, 2011, the District did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three fiscal years.

## **10. OTHER POST EMPLOYMENT BENEFITS**

As provided by K.S.A. 12-5040, the District allows eligible retirees to participate in the group health insurance plan. Eligible employees have fifteen years of service to the District, enough points to retire under the KPERS system, and were enrolled in the health insurance plan at least three consecutive years immediately prior to retirement. Those eligible under this program may receive health insurance benefits until they reach the age of sixty-five. The District pays a portion of the premium for each retiree and the retiree is responsible for the balance. During the year ended June 30, 2011, thirty retirees participated in this plan and the District paid \$94,770 in premiums for these retirees. Any remaining subsidy to retirees due to the plan's level premium structure has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage.

The American Recovery and Reinvestment Act of 2009 (ARRA), as amended, provides for premium reductions for health benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, commonly called COBRA. The premium assistance is also available for continuation coverage under certain State laws. "Assistance Eligible Individuals" pay only 35% of their COBRA premiums; the remaining 65% is reimbursed to the coverage provider through a tax credit. The premium reduction applies to periods of health coverage that began on or after February 17, 2009 and lasts for up to fifteen months.

## **11. TERMINATION BENEFITS**

The District provides an early retirement program for certain eligible employees. Eligible employees are those employed full time, are eligible for KPERS early retirement and not more than sixty-one years of age, and has fifteen years of service with the District. Written notice shall be submitted on or before the first day of March preceding retirement date.

Those eligible under this program may receive benefits until turning age sixty-two. Benefits shall be a monthly benefit at the rate of 1% of the employee's highest annual salary (not including salary enhancement or extra duty) or \$400, whichever is lesser, payable beginning the month in which their retirement under KPERS becomes effective. Payments to eleven retired employees under this plan were \$42,143 for the year ended June 30, 2011.

## **12. SUBSEQUENT EVENT**

The District will have a substantial decrease in state aid beginning fiscal year 2013 due to the completion of the third year of incentives from the state resulting from the land transfer occurring with the disorganization of USD 279, Jewell.

### 13. PARENTS EDUCATION PROGRAM FUND

The Parents Education Program Fund, shown below, reflects all state aid as confirmed by the Kansas State Department of Education for the fiscal year ended June 30, 2011. This presentation includes the June 30, 2011 state aid payment of \$39,873 that was received on July 14, 2011.

#### REVENUES & EXPENDITURES - FISCAL YEAR AND BUDGET For The Year Ended June 30, 2011

##### PARENTS EDUCATION PROGRAM FUND

	Fiscal Year 2011 Transactions	Budget	Variance Over (Under)
<b>REVENUES</b>			
Payments from Other Districts	\$ 36,600	\$ 36,600	\$ -
Other Revenue From Local Sources	-	100	(100)
State Aid	80,514	81,282	(768)
Reimbursements	18	-	18
Incoming Transfer			
Supplemental General Fund	23,400	22,700	700
<b>Total Revenues</b>	<b>140,532</b>	<b>\$ 140,682</b>	<b>\$ (150)</b>
<b>EXPENDITURES</b>			
Student Support Services			
Salaries			
Noncertified	80,512	\$ 83,751	\$ (3,239)
Employee Benefits			
Insurance	12,960	12,480	480
Social Security & Medicare	5,541	5,527	14
Other	69	2,931	(2,862)
Purchased Professional & Technical Services	10,667	10,000	667
Purchased Property Services	4,580	-	4,580
Other Purchased Services	14,022	12,500	1,522
Supplies			
Miscellaneous	9,046	11,000	(1,954)
Property	4,340	5,000	(660)
Other	1,500	1,853	(353)
Other Supplemental Service			
Salaries			
Certified	5,000	5,000	-
Noncertified	2,605	1,168	1,437
Employee Benefits			
Social Security & Medicare	538	432	106
Other	7	-	7
Purchased Professional & Technical Services	170	200	(30)
Other Purchased Services	176	-	176
<b>Total Expenditures</b>	<b>151,733</b>	<b>\$ 151,842</b>	<b>\$ (109)</b>
Revenues Over (Under) Expenditures	(11,201)		
MODIFIED UNENCUMBERED CASH, July 1, 2010	22,378		
MODIFIED UNENCUMBERED CASH, June 30, 2011	\$ 11,177		

#### 14. KPERS SPECIAL RETIREMENT CONTRIBUTION

The KPERS Special Retirement Contribution Fund, shown below, reflects all state aid as confirmed by the Kansas State Department of Education for the fiscal year ended June 30, 2011. The presentation on Statement 3 excludes the January and April 2010 state aid payments of \$ 132,402 and \$ 131,974 that were received on July 6, 2010 and July 7, 2010, respectively.

##### REVENUES & EXPENDITURES - FISCAL YEAR AND BUDGET For The Year Ended June 30, 2011

##### KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

	Fiscal Year 2011 Transactions	Budget	Variance Over (Under)
REVENUES			
State Contribution for KPERS	\$ 476,336	\$ 630,176	\$ (153,840)
EXPENDITURES			
Instruction			
Employee Benefits	304,855	\$ 403,313	\$ (98,458)
Student Support Services			
Employee Benefits	66,687	88,225	(21,538)
Instructional Support Staff			
Employee Benefits	28,580	37,810	(9,230)
General Administration			
Employee Benefits	14,290	18,905	(4,615)
School Administration			
Employee Benefits	19,054	25,207	(6,153)
Other Supplemental Services			
Employee Benefits	4,763	6,302	(1,539)
Operations & Maintenance			
Employee Benefits	23,817	31,509	(7,692)
Student Transportation Services			
Employee Benefits	4,763	6,302	(1,539)
Food Service			
Employee Benefits	9,527	12,603	(3,076)
Total Expenditures	476,336	\$ 630,176	\$ (153,840)
Revenues Over (Under) Expenditures	-		
MODIFIED UNENCUMBERED CASH, July 1, 2010	-		
MODIFIED UNENCUMBERED CASH, June 30, 2011	\$ -		

**15. COMPLIANCE WITH K.S.A. 72-6417(d) AND K.S.A. 72-6434(d).**

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) requires the school district to record any payment of general state aid and supplemental general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by these Statutes.

**STATUTORY REVENUES AND EXPENDITURES-STATUTORY AND BUDGET  
For The Year Ended June 30, 2011**

<b>GENERAL FUND</b>			
	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>STATUTORY REVENUES</b>			
General Property Taxes			
Ad Valorem Taxes			
Tax in Process	\$ 37,301	\$ 21,942	\$ 9,750
Current Tax	751,849	731,977	19,872
Delinquent Tax	5,284	10,084	(4,800)
State Aid	4,239,627	4,430,888	(191,261)
State Reimbursements	3,485	-	3,485
Reimbursements	78,743	-	78,743
Special Education Aid	801,399	928,357	(126,958)
ARRA Stabilization Funds	92,368	92,368	-
Education Jobs Funds	161,736	-	161,736
	<u>6,171,792</u>	<u>\$ 6,215,616</u>	<u>\$ (49,433)</u>
<b>EXPENDITURES</b>			
Instruction	3,021,981	\$ 2,911,749	\$ 110,232
Instructional Support Staff	287	3,000	(2,713)
General Administration	184,033	186,070	(2,037)
School Administration	431,733	473,960	(42,227)
Operations & Maintenance	370,075	317,720	52,355
Vehicle Operating Services	315,136	147,250	167,886
Other Supplemental Services	90,880	440,510	(349,630)
Outgoing Transfers	1,756,915	1,735,357	21,558
Adjustment to Comply with Legal Max	-	(126,804)	126,804
	<u>6,171,040</u>	<u>6,088,812</u>	<u>82,228</u>
<b>Legal General Fund Budget</b>			
Adjustments for Qualifying Budget Credits			
State Reimbursements	-	3,485	(3,485)
Federal Reimbursements	-	78,743	(78,743)
	<u>-</u>	<u>82,228</u>	<u>(82,228)</u>
<b>Total Adjustments for Qualifying Budget Credits</b>			
	<u>-</u>	<u>82,228</u>	<u>(82,228)</u>
<b>Total Expenditures</b>	<u>6,171,040</u>	<u>\$ 6,171,040</u>	<u>\$ -</u>
<b>Statutory Receipts Over (Under) Expenditures</b>	752		
<b>MODIFIED UNENCUMBERED CASH, July 1, 2010</b>	-		
<b>Prior Year Cancelled Encumbrances</b>	<u>156</u>		
<b>MODIFIED UNENCUMBERED CASH, June 30, 2011</b>	<u>\$ 908</u>		

**15. COMPLIANCE WITH K.S.A. 72-6417(d) AND K.S.A. 72-6434(d). (Continued)**

**STATUTORY REVENUES AND EXPENDITURES-STATUTORY AND BUDGET  
For The Year Ended June 30, 2011**

**SUPPLEMENTAL GENERAL FUND**

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>STATUTORY REVENUES</b>			
General Property Taxes			
Ad Valorem Taxes			
Tax In Process	\$ 43,061	\$ 30,739	\$ 12,322
Current Tax	797,001	758,294	38,707
Delinquent Tax	7,102	11,096	(3,994)
Motor Vehicle Tax	139,419	131,040	8,379
Recreational Vehicle Tax	1,759	1,526	233
State Aid	729,871	736,624	(6,753)
	<u>1,718,213</u>	<u>\$ 1,669,319</u>	<u>\$ 48,894</u>
<b>EXPENDITURES</b>			
Instruction			
Salaries			
Certified	150,187	\$ 27,000	\$ 123,187
Noncertified	-	3,000	(3,000)
Employee Benefits			
Insurance	-	1,560	(1,560)
Social Security & Medicare	11,489	3,000	8,489
Other	489	-	489
Purchased Professional & Technical Services	14,345	13,000	1,345
Supplies			
General	-	5,000	(5,000)
Textbooks	15,203	12,000	3,203
Student Support Services			
Salaries			
Certified	149,349	205,853	(56,504)
Noncertified	14,568	-	14,568
Employee Benefits			
Insurance	12,960	12,480	480
Social Security & Medicare	12,107	15,081	(2,974)
Other	158	1,500	(1,342)
Purchased Professional & Technical Services	730	-	730
Other Purchased Services	444	100	344
Supplies	3,618	2,220	1,398

**15. COMPLIANCE WITH K.S.A. 72-6417(d) AND K.S.A. 72-6434(d). (Continued)**

**STATUTORY REVENUES AND EXPENDITURES-STATUTORY AND BUDGET  
For The Year Ended June 30, 2011**

**SUPPLEMENTAL GENERAL FUND**

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>EXPENDITURES (Cont.)</b>			
Instructional Support Staff			
Salaries			
Certified	\$ 161,561	\$ 165,056	\$ (3,495)
Noncertified	94,791	77,824	16,967
Employee Benefits			
Insurance	22,680	15,600	7,080
Social Security & Medicare	17,741	15,303	2,438
Other	222	500	(278)
Purchased Professional & Technical Services	18,802	1,000	17,802
Other Purchased Services	1,990	2,000	(10)
Supplies			
Books	3,171	2,200	971
Technology	4,280	5,000	(720)
Miscellaneous	642	1,000	(358)
Other	704	1,000	(296)
Operations & Maintenance			
Salaries			
Noncertified	105,703	115,260	(9,557)
Employee Benefits			
Insurance	9,720	9,500	220
Social Security	7,465	8,500	(1,035)
Other	174	1,200	(1,026)
Purchased Professional & Technical Services	1,000	1,000	-
Purchased Property Services			
Water/Sewer	26,736	20,000	6,736
Repairs & Maintenance	40,833	25,000	15,833
Other	5,225	2,500	2,725
Other Purchased Services	805	750	55
Supplies			
General	31,575	30,000	1,575
Energy			
Heating	35,619	40,570	(4,951)
Electricity	170,333	150,000	20,333
Motor Fuel	1,304	2,000	(696)
Vehicle Operating Services			
Other Purchased Services			
Contracting of Bus Services	47,367	175,000	(127,633)

**15. COMPLIANCE WITH K.S.A. 72-6417(d) AND K.S.A. 72-6434(d). (Continued)**

**STATUTORY REVENUES AND EXPENDITURES-STATUTORY AND BUDGET  
For The Year Ended June 30, 2011**

**SUPPLEMENTAL GENERAL FUND**

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>EXPENDITURES (Cont.)</b>			
Outgoing Transfers			
Driver Training Fund	\$ 12,000	\$ 5,000	\$ 7,000
Professional Development Fund	10,000	15,000	(5,000)
Parent Education Program Fund	23,400	22,700	700
Special Education Fund	505,004	561,116	(56,112)
Textbook & Student Material Revolving Fund	16,373	-	16,373
Adjustment to Comply with Legal Max	-	(10,506)	10,506
	<u>1,762,867</u>	<u>\$ 1,762,867</u>	<u>\$ -</u>
Statutory Revenue Over (Under) Expenditures	(44,654)		
MODIFIED UNENCUMBERED CASH, July 1, 2010	<u>108,295</u>		
MODIFIED UNENCUMBERED CASH, June 30, 2011	<u>\$ 63,641</u>		

## 16. LONG-TERM DEBT

Changes in long-term liabilities for the District for the year ended June 30, 2011, were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance 07/01/10	Additions	Reductions/ Payments	Net Change	Balance 06/30/11	Interest Paid
Capital Lease										
Computerized Temperature Control Systems	3.91%	5/11/2010	\$ 411,194	5/11/2020	\$ 411,194	\$ -	\$ 411,194	\$ -	\$ -	\$ 17,119
Compensated Absences					37,243	-	-	1,040	38,283	-
Total Long-Term Debt					<u>\$ 448,437</u>	<u>\$ -</u>	<u>\$ 411,194</u>	<u>\$ 1,040</u>	<u>\$ 38,283</u>	<u>\$ 17,119</u>

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Schedule 1

SCHEDULE OF EXPENDITURES-ACTUAL AND BUDGET  
For The Year Ended June 30, 2011

GENERAL FUND			Variance Over (Under)
	Actual	Budget	
<b>INSTRUCTION</b>			
Salaries			
Certified	\$ 2,001,028	\$ 2,246,100	\$ (245,072)
Noncertified	278,920	70,329	208,591
Employee Benefits			
Insurance	226,800	190,320	36,480
Social Security & Medicare	168,105	156,000	12,105
Other	2,953	38,000	(35,047)
Purchased Professional & Technical Services	9,517	40,000	(30,483)
Other Purchased Services			
Tuition/Other State LEA's	8,306	16,000	(7,694)
Other	113,684	120,000	(6,316)
Supplies			
General	74,327	30,000	44,327
Textbooks	21,588	-	21,588
Miscellaneous	10,601	-	10,601
Property	101,430	5,000	96,430
Other	4,722	-	4,722
<b>Total Instruction</b>	<b>3,021,981</b>	<b>2,911,749</b>	<b>110,232</b>
<b>INSTRUCTIONAL SUPPORT STAFF</b>			
Supplies			
Technology	-	3,000	(3,000)
Miscellaneous	287	-	287
<b>Total Instructional Support Staff</b>	<b>287</b>	<b>3,000</b>	<b>(2,713)</b>
<b>GENERAL ADMINISTRATION</b>			
Salaries			
Certified	101,062	102,000	(938)
Employee Benefits			
Insurance	3,240	3,120	120
Social Security & Medicare	6,521	6,500	21
Other	85	450	(365)
Purchased Professional & Technical Services	38,585	40,000	(1,415)
Purchased Property Services	3,386	1,000	2,386
Other Purchased Services			
Insurance	100	12,000	(11,900)
Communications	5,085	6,500	(1,415)
Other	3,762	6,000	(2,238)
Supplies	3,346	3,500	(154)
Property	12,200	5,000	7,200
Other	6,661	-	6,661
<b>Total General Administration</b>	<b>184,033</b>	<b>186,070</b>	<b>(2,037)</b>

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Schedule 1  
(Cont.)

SCHEDULE OF EXPENDITURES-ACTUAL AND BUDGET  
For The Year Ended June 30, 2011

GENERAL FUND (CONT.)

	Actual	Budget	Variance Over (Under)
<b>SCHOOL ADMINISTRATION</b>			
Salaries			
Certified	\$ 208,273	\$ 208,000	\$ 273
Noncertified	121,589	150,000	(28,411)
Employee Benefits			
Insurance	25,920	24,960	960
Social Security & Medicare	21,681	23,000	(1,319)
Other	15,091	19,000	(3,909)
Purchased Professional & Technical Services	8,171	15,000	(6,829)
Other Purchased Services			
Communications	8,472	10,000	(1,528)
Other	1,757	6,000	(4,243)
Supplies	16,809	15,000	1,809
Property	-	500	(500)
Other	3,970	2,500	1,470
	<u>431,733</u>	<u>473,960</u>	<u>(42,227)</u>
<b>Total School Administration</b>			
	<u>431,733</u>	<u>473,960</u>	<u>(42,227)</u>
<b>OPERATIONS &amp; MAINTENANCE</b>			
Salaries			
Noncertified	243,043	261,000	(17,957)
Employee Benefits			
Insurance	19,440	18,720	720
Social Security & Medicare	16,393	18,000	(1,607)
Other	205	3,000	(2,795)
Purchased Professional & Technical Services	8,239	4,000	4,239
Purchased Property Services			
Repairs & Maintenance	11,324	1,500	9,824
Rentals	753	-	753
Repair of Buildings	57,060	5,000	52,060
Other	3,500	-	3,500
Other Purchased Services			
Insurance	-	4,000	(4,000)
Other	1,113	2,000	(887)
Supplies			
General	4,733	500	4,233
Energy			
Motor Fuel	3,662	-	3,662
Property	610	-	610
	<u>370,075</u>	<u>317,720</u>	<u>52,355</u>
<b>Total Operations &amp; Maintenance</b>			
	<u>370,075</u>	<u>317,720</u>	<u>52,355</u>

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Schedule 1  
(Cont.)

SCHEDULE OF EXPENDITURES-ACTUAL AND BUDGET  
For The Year Ended June 30, 2011

GENERAL FUND (CONT.)

	Actual	Budget	Variance Over (Under)
<b>VEHICLE OPERATING SERVICES</b>			
Other Purchased Services			
Contracting of Bus Services	\$ 281,673	\$ 145,000	\$ 136,673
Mileage in Lieu of Transportation	1,263	2,000	(737)
Property	31,920	-	31,920
Other	280	250	30
	<u>315,136</u>	<u>147,250</u>	<u>167,886</u>
<b>TOTAL Vehicle Operating Services</b>			
	<u>315,136</u>	<u>147,250</u>	<u>167,886</u>
<b>OTHER SUPPLEMENTAL SERVICES</b>			
Salaries			
Noncertified	79,544	80,000	(456)
Employee Benefits			
Insurance	5,767	5,554	213
Social Security & Medicare	5,500	5,400	100
Other	69	700	(631)
Property	-	348,856	(348,856)
	<u>90,880</u>	<u>440,510</u>	<u>(349,630)</u>
<b>TOTAL Other Supplemental Services</b>			
	<u>90,880</u>	<u>440,510</u>	<u>(349,630)</u>
<b>OUTGOING TRANSFERS</b>			
At Risk Fund (4 Year Old)	120,059	131,000	(10,941)
At Risk Fund (K-12)	226,442	290,000	(63,558)
Bilingual Education Fund	1,967	2,000	(33)
Driver Training Fund	-	2,000	(2,000)
Capital Outlay Fund	411,438	-	411,438
Food Service Fund	-	20,000	(20,000)
Professional Development Fund	-	20,000	(20,000)
Special Education Fund	801,399	928,357	(126,958)
Vocational Education Fund	195,610	342,000	(146,390)
	<u>1,756,915</u>	<u>1,735,357</u>	<u>21,558</u>
<b>TOTAL Outgoing Transfers</b>			
	<u>1,756,915</u>	<u>1,735,357</u>	<u>21,558</u>
<b>Adjustment to Comply with Legal Max</b>			
Legal General Fund Budget	-	(126,804)	126,804
	<u>6,171,040</u>	<u>6,088,812</u>	<u>82,228</u>
<b>Adjustment for Qualifying Budget Credits</b>			
State Reimbursements	-	3,485	(3,485)
Reimbursements	-	78,743	(78,743)
	<u>-</u>	<u>82,228</u>	<u>(82,228)</u>
<b>TOTAL Adjustment for Qualifying Budget Credits</b>			
	<u>-</u>	<u>82,228</u>	<u>(82,228)</u>
<b>Total Expenditures</b>	<u>\$ 6,171,040</u>	<u>\$ 6,171,040</u>	<u>\$ -</u>



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### **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**February 13, 2012**

**Board of Education  
Unified School District No. 273  
Beloit, KS 67420**

We have audited the accompanying financial statements of Unified School District No. 273, Beloit, Kansas, as of and for the year ended June 30, 2011 as listed in the table of contents, and have issued our report thereon dated February 13, 2012. Our report on the financial statements disclosed that, as described in Note 1 to the financial statements, the District prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the guidance in the Kansas Municipal Audit Guide.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Unified School District No. 273's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 273's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 273's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Board of Education  
Unified School District No. 273  
Page Two  
February 13, 2012

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. (2011-1 and 2011-2). A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Unified School District No. 273's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We also noted certain other matters that we reported to management of Unified School District No. 273 in a separate letter dated February 13, 2012.

Unified School District No. 273's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Unified School District No. 273's response, and accordingly, we express no opinion on it.

This report is intended for the information of the Board of Education and management of Unified School District No. 273, Beloit, Kansas, others within the entity, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

*Mapes & Miller LLP*

Certified Public Accountants

February 13, 2012  
Phillipsburg, Kansas



## **MAPES & MILLER LLP**

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### **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

**February 13, 2012**

**Board of Education  
Unified School District No. 273  
Beloit, KS 67420**

#### **Compliance**

We have audited the compliance of Unified School District No. 273 with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Unified School District No. 273's major federal programs for the year ended June 30, 2011. Unified School District No. 273's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Unified School District No. 273's management. Our responsibility is to express an opinion on Unified School District No. 273's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District No. 273's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Unified School District No. 273's compliance with those requirements.

In our opinion, Unified School District No. 273 complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133. These instances are described in the accompanying Schedule of Findings and Questioned Costs as item 2011-4.

**Internal Control Over Compliance**

Management of Unified School District No. 273 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered federal program in order to determine our auditing Unified School District No. 273's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 273's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item 2011-3. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Unified School District No. 273's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Unified School District No. 273's response and, accordingly, we express no opinion on it.

This report is intended for the information of the Board of Education and management of Unified School District No. 273, Beloit, Kansas, others within the entity, and the federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specific parties.

Respectfully submitted,

*Mapes & Miller LLP*

Certified Public Accountants

February 13, 2012  
Phillipsburg, Kansas

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Schedule 2

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ending June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash July 1, 2010	Cash Receipts	Expenditures	Ending Unencumbered Cash June 30, 2011
<b>U.S. Department of Education</b>					
Passed through Kansas Department of Education					
Title I Low Income	84.010	\$ 19,492	\$ 131,095	\$ 134,232	\$ 16,355
ARRA Title I Low Income	84.389	-	38,156	38,156	-
ARRA Special Education Aid	84.391	-	233,351	233,351	-
Special Education Aid	84.027	-	477,951	477,951	-
Special Education Preschool Grants	84.173	-	17,973	17,973	-
ARRA Special Education Preschool Grants	84.392	-	9,828	9,828	-
Title II Improving Teacher Quality	84.367	-	37,337	37,337	-
Title II Tech Literacy	84.318	-	444	444	-
ARRA Title II Tech Literacy	84.386	-	1,697	1,697	-
Career & Technical Education	84.048	-	8,400	8,400	-
Education Jobs Fund	84.410	-	161,736	161,736	-
ARRA State Fiscal Stabilization Fund	84.394	-	92,368	92,368	-
<b>Total Kansas Department of Education</b>		<b>19,492</b>	<b>1,210,336</b>	<b>1,213,473</b>	<b>16,355</b>
Passed through Kansas Department of Health & Environment					
ARRA Infant Toddler	84.393	-	2,856	2,856	-
Title I Infant Toddler	84.181	-	8,947	8,947	-
<b>Total Kansas Department of Health &amp; Environment</b>		<b>-</b>	<b>11,803</b>	<b>11,803</b>	<b>-</b>
Passed through Smoky Hill Education Service Center					
Career & Technical Education	84.048	-	4,277	4,277	-
<b>Total U.S. Department of Education</b>		<b>19,492</b>	<b>1,226,416</b>	<b>1,229,553</b>	<b>16,355</b>

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Schedule 2  
(Cont.)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ending June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash July 1, 2010	Cash Receipts	Expenditures	Ending Unencumbered Cash June 30, 2011
<u>U.S. Department of Agriculture</u>					
Passed through Kansas Department of Education					
School Breakfast Program	10.553	\$ -	\$ 26,127	\$ 26,127	\$ -
National School Lunch Program	10.555	-	146,555	146,555	-
Child & Adult Care Food Program	10.558	471	17,830	18,301	-
		<u>471</u>	<u>190,512</u>	<u>190,983</u>	<u>-</u>
Total U.S. Department of Agriculture					
		<u>\$ 19,963</u>	<u>\$ 1,416,928</u>	<u>\$ 1,420,536</u>	<u>\$ 16,355</u>

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Unified School District No. 273 and is presented on a statutory basis of accounting to demonstrate compliance with the cash basis laws of the State of Kansas. Expenditures include disbursements, accounts payable and encumbrances.

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Schedule 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011

---

SECTION 1 – SUMMARY OF AUDITOR'S RESULTS

---

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified?    Yes   x   No
- Significant deficiencies identified that are not considered to be material weaknesses?   x   Yes    None reported
- Noncompliance material to financial statements noted?    Yes   x   No

**FEDERAL AWARDS**

Internal control over major programs:

- Material weaknesses identified?    Yes   x   No
- Significant deficiencies identified that are not considered to be material weaknesses?   x   Yes    None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB *Circular A-133*?   x   Yes    No

Identification of major programs:

**CFDA NUMBER**

**NAME OF FEDERAL PROGRAM**

84.027

Special Education Cluster:

84.173

Special Education Aid

84.391

Special Education Preschool Grants

84.392

ARRA Special Education Aid

ARRA Special Education Preschool Grants

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

  x   Yes    No

UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas

Schedule 3  
(Cont.)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011

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SECTION 2 – FINDINGS – FINANCIAL STATEMENT AUDIT

---

**INTERNAL CONTROL**

**2011-1 Segregation of duties**

**Condition:** The limited staff size does not provide for adequate segregating of duties.

**Criteria:** Segregation of duties should be maintained to strengthen internal control over accounting and compliance functions.

**Effect:** Lack of segregation of duties increases the risk of errors and noncompliance occurring and not being detected in a timely manner.

**Cause:** Because the entity is small, management does not feel it is feasible to hire more staff.

**Recommendations:** Duties of key financial and compliance personnel should be evaluated to determine if duties could be segregated.

**Response:** We concur with the recommendation. However, the size of the entity does not make it practical to have sufficient number of employees to achieve the optimum level of internal control.

**2011-2 Financial Statement Preparation**

**Condition:** Management does not have the qualifications and training necessary to prepare the financial statements which would include the related footnote disclosures.

**Criteria:** Management must have controls over the preparation of the financial statements including footnote disclosures which would prevent or detect an omission/misstatement in the financial statements.

**Effect:** The control deficiency allows for omission/misstatements in the financial statements including footnotes that may not be prevented, detected, or corrected.

**Cause:** There are no procedures in place that require management to obtain the necessary qualifications and training.

**Recommendations:** Management would need to attend training classes and annual continuing education classes to educate on proper and complete preparation of the financial statements and footnote disclosures and to be aware of all of the current accounting standards by purchasing annual accounting subscriptions.

**Response:** We concur with the recommendation. However, the cost of annual subscription services and the continuous education/training classes do not make it practical to obtain the competency and expertise required to correct the deficiency.

**UNIFIED SCHOOL DISTRICT NO. 273**  
**Beloit, Kansas**

**Schedule 3**  
**(Cont.)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2011**

---

**SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

---

**U.S. Department of Education**

**2011-3 Segregation of Duties**

**Special Education Cluster – CFDA Numbers 84.027, 84.173, 84.391, and 84.392 passed through the Kansas Department of Education for the year ended June 30, 2011.**

**Condition: The limited staff size does not provide for adequate segregation of duties.**

**Criteria: Segregation of duties should be maintained to strengthen internal control over accounting and compliance functions.**

**Effect: Lack of segregation of duties increases the risk of errors and noncompliance occurring and not being detected in a timely manner.**

**Cause: Because the entity is small, management does not feel it is feasible to hire more staff.**

**Recommendations: Duties of key financial and compliance personnel should be evaluated to determine if duties could be segregated.**

**Response: We concur with the recommendation. However, the size of the entity does not make it practical to have sufficient number of employees to achieve the optimum level of internal control.**

**2011-4 Reporting**

**Special Education Cluster – CFDA Numbers 84.027, 84.173, 84.391, and 84.392 passed through the Kansas Department of Education for the year ended June 30, 2011.**

**Condition: Targeted Improvement Plan expenditures reported on the “Annual Financial Report” did not agree with the expenditures shown in the accounting records.**

**Criteria: Financial reports must be complete, accurate, and agree with the underlying accounting records.**

**Effect: Adjustments were made to the accounting records and testing was performed to ascertain that the transactions reported were for allowable costs.**

**Question Costs: N/A**

**Cause: No reconciliation was done at the end of the year between the special education director and the clerk to verify that the “Annual Financial Report” and the accounting records agreed.**

**UNIFIED SCHOOL DISTRICT NO. 273  
Beloit, Kansas**

**Schedule 3  
(Cont.)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**Recommendations:** We recommend that the clerk and the special education director review the transactions posted to the Targeted Improvement Plan accounts and ascertain that they are reported properly on the "Annual Financial Report".

**Response:** We agree with the recommendation and recognize the need for the "Annual Financial Report" to agree with the accounting records.

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**SECTION 4 – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

---

**FINDING 2010-4**

**Condition:** The limited staff size does not provide for adequate segregation of duties.

**Recommendation:** Duties of key financial and compliance personnel should be evaluated to determine if duties could be segregated.

**Current Status:** The size of the entity does not make it practical to have a sufficient number of employees to achieve the optimum level of internal control.

**FINDING 2010-5**

**Condition:** The District reclassified a percentage of teachers' salaries to federal expenditure accounts at the end of the year, making it difficult to determine exactly which transactions were for federal costs and when the costs were incurred.

**Recommendations:** We recommend that the District setup federal expenditure accounts and allocate a portion of each employee's salary when the checks are written instead of reclassifying salaries at the end of the year.

**Current Status:** The District setup federal expenditure accounts and did monthly reclassification entries to move salaries to the federal expenditure accounts.